



General Assembly

February Session, 2014

Raised Bill No. 368

LCO No. 1979



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT PHASING OUT THE HOSPITALS TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-263b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2014*):

3 (a) (1) For each calendar quarter commencing on or after July 1,
4 2011, there is hereby imposed a tax on the net patient revenue of each
5 hospital in this state to be paid each calendar quarter. The rate of such
6 tax shall be up to the maximum rate allowed under federal law. The
7 Commissioner of Social Services shall determine the base year on
8 which such tax shall be assessed. The Commissioner of Social Services
9 may, in consultation with the Secretary of the Office of Policy and
10 Management and in accordance with federal law, exempt a hospital
11 from the tax on payment earned for the provision of outpatient
12 services based on financial hardship. Effective July 1, 2012, and for the
13 succeeding fifteen months, the rates of such tax, the base year on which
14 such tax shall be assessed, and the hospitals exempt from the
15 outpatient portion of the tax based on financial hardship shall be the

16 same tax rates, base year and outpatient exemption for hardship in
17 effect on January 1, 2012.

18 (2) For the year commencing July 1, 2014, the annual amount of tax
19 due from each hospital shall be equal to eighty per cent of the tax paid
20 during the year commencing July 1, 2012. For the year commencing
21 July 1, 2015, the annual amount of tax due from each hospital shall be
22 equal to sixty per cent of the tax paid during the year commencing July
23 1, 2012. For the year commencing July 1, 2016, the annual amount of
24 tax due from each hospital shall be equal to forty per cent of the tax
25 paid during the year commencing July 1, 2012. For the year
26 commencing July 1, 2017, the annual amount of tax due from each
27 hospital shall be equal to twenty per cent of the tax paid during the
28 year commencing July 1, 2012. For the year commencing July 1, 2018,
29 and thereafter, no tax shall be due pursuant to this section. Payment of
30 the tax due under this subdivision shall be in accordance with the
31 provisions of subsection (b) of this section.

32 (b) Each hospital shall, on or before the last day of January, April,
33 July and October of each year prior to July 1, 2018, render to the
34 Commissioner of Revenue Services a return, on forms prescribed or
35 furnished by the Commissioner of Revenue Services and signed by one
36 of its principal officers, stating specifically the name and location of
37 such hospital, and the amount of its net patient revenue as determined
38 by the Commissioner of Social Services. Payment shall be made with
39 such return. Each hospital shall file such return electronically with the
40 department and make such payment by electronic funds transfer in the
41 manner provided by chapter 228g, irrespective of whether the hospital
42 would otherwise have been required to file such return electronically
43 or to make such payment by electronic funds transfer under the
44 provisions of chapter 228g.

45 Sec. 2. Section 3-114p of the general statutes is repealed and the
46 following is substituted in lieu thereof (*Effective July 1, 2014*):

47 At the close of each fiscal year commencing with the fiscal year
48 ending June 30, 2012, to the fiscal year ending June 30, 2018, the
49 Comptroller is authorized to record as revenue for such fiscal year the
50 amount of tax imposed under the provisions of section 12-263b, as
51 amended by this act, that is received by the Commissioner of Revenue
52 Services not later than five business days after the last day of July
53 immediately following the end of such fiscal year.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2014</i> | 12-263b |
| Sec. 2 | <i>July 1, 2014</i> | 3-114p |

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| Section 1 | <i>July 1, 2014</i> | 12-263b |
| Sec. 2 | <i>July 1, 2014</i> | 3-114p |

Statement of Purpose:

To phase out the hospitals tax.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]